



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1868(1951)

February 24, 1989

SUBJECT: Proceed with Full Servicing of Farmer  
Programs Loans Under FmHA Instruction 1951-S

TO: State Directors and District Directors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to notify the Farmers Home Administration (FmHA) field offices that FmHA is no longer barred from accelerating or foreclosing Farmer Programs borrower accounts. The intended outcome is to service Farmer Programs loans in accordance with the Agricultural Credit Act of 1987.

COMPARISON WITH PREVIOUS AN:

No Previous AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

On February 21, 1989, the District Court dismissed the Coleman vs Lyng Case. You should now send Attachments 7 and 9 of Exhibit A to FmHA Instruction 1951-S as appropriate.

Attachment 7 or 9 of Exhibit A of FmHA Instruction 1951-S must again be mailed to those borrowers who previously received these attachments and were notified with a guide letter attached to the Unnumbered Letter dated January 19, 1989, that no adverse action would be taken until the court injunction was resolved. If the guide letter was not sent, you should continue to service the account per FmHA Instruction 1951-S.

Expiration Date:  
September 30, 1989

Filing Instruction:  
Preceding FmHA  
Instruction 1951-S



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

1868(1951)

You have authority to take all actions to service Farmer Programs borrower accounts in accordance with existing regulations. This includes the authority to accelerate and foreclose where necessary, after borrowers have received the servicing and appeal rights specified in the regulations.

On February 17, 1989, the Department of Justice informed all U.S. Attorneys that they could bring foreclosure actions in states where judicial foreclosure is required. Regional Office of the General Counsel (OGC) and OGC Attorneys in charge will also be notified that acceleration and foreclosure can proceed.

In the future we will provide you with additional instructions on how to service the accounts of borrowers whose applications were taken under the "rule of reason," but have not timely filed the forms required to apply for servicing.

If you have any questions, please call Veldon Hall, Director of Farmer Programs Loan Servicing and Property Management at FTS 447-4572.



NEAL SOX JOHNSON  
Acting Administrator

Sent via electronic mail on 2/27 toll:13Aby ASD. State Directors will immediately notify County Supervisors of the provisions of this AN.